

May 7, 2002

BUDGET MESSAGE FISCAL YEAR 2002-03 July 1, 2002-June 30, 2003

MAYOR, CITY COUNCIL MEMBERS, AND CITIZENS OF SALISBURY

It is with pleasure that I present to you the City of Salisbury's FY2002-03 Annual Budget totaling \$42,754,602 for all funds.

The seventeenth Annual Future Directions and Goal Setting Conference for the City was held February 22, 2002 at the Mid Pines Inn and Conference Center in Southern Pines, North Carolina. While much time and attention were invested in the following important City issues: implementation of the Salisbury 2020 Plan; the Water System Expansion; the Police Patrol District Project; Emergency Preparedness Plans; and the implementation of the Downtown Master Plan; the whole session was overshadowed by the impact of Governor Easley's withholding of revenue reimbursements and state-collected local taxes including the municipal utility franchise tax on electricity and the beer and wine tax.

The total estimated loss of City revenue due to Governor Easley's withholding of funds is \$2,331,588. This represents 9.21 percent of the City's current General Fund Budget. This taking of funds by Governor Easley will make certain that the City will end this fiscal year with an estimated \$800,000 General Fund deficit as of June 30, 2002. The City has been forced to balance this year's budget by using funds from the City's unrestricted and unappropriated General Fund Balance. This may well reduce the City of Salisbury's unrestricted and undesignated General Fund Balance to less than the North Carolina Local Government Commission's eight per cent requirement and the City of Salisbury's Reserve Policy of ten percent.

Having been City Manager in Salisbury for over 16 years, I cannot recall any other year where accurately estimating revenues has been so difficult. Our economy is still in recession, and recovery, when it begins, may be slow. We will not know until mid-to-late May, or perhaps later, whether Governor Michael Easley will release any of the City's revenues now in escrow. To make matters even more difficult, the 2002 session of the General Assembly, which convenes May 28th, may not have finished adjustments to balance the FY2002-03 State budget. From recent news reports in Raleigh, it is safe to say that the State faces a budget shortfall of at least **\$1.5 billion dollars**.

How the State balances its budget may well affect our City budget, both directly and indirectly. State programs may be cut that will affect municipal programs; municipal revenue sources may be affected; or fees and charges for permits and required state inspections may rise.

The recommended City of Salisbury's FY2002-03 General Fund Budget includes the following reimbursement revenues and state-collected local taxes which are due to be distributed to our municipality in accordance with permanent statutory provisions without any action by the 2002 session of the General Assembly beginning July 1, 2002:

- The reimbursements for repealed ad valorem property taxes on retail and manufacturers' inventories;
- The reimbursement for repealed intangibles taxes;
- The reimbursements for loss of repealed local sales tax on purchases made with food stamps;
- The partial reimbursement for the homestead exemption;
- The municipal utility franchise tax on electricity;
- The excise tax on natural gas;
- The new sales tax on telecommunications; and
- The beer and wine tax

Even though we expect to receive all of these revenues, we must acknowledge the uncertainty associated with their distribution. Therefore, I have designated these revenues for capital projects and other specified items. These funds will be spent only if and when the revenues are actually received by our City. In other words, if the revenue distribution is not made, the designated expenditure will not occur. FY2002-03 budgeted reimbursements are matched up to fund recommended capital improvements of over one million dollars.

The clear directions to the City Manager and the City Management Team by Mayor and Council were to prepare an FY2002-03 Budget without a tax increase while minimizing the impact on all levels of City services, especially essential police, fire, and waste management services. I think this recommended FY2002-03 Budget accomplishes this objective, but not without having some impact on our current level of City services.

In coming up with the FY2002-03 General Fund Budget, the City Manager and City Management Team looked closely at service level prioritization, evaluating and re-engineering of operations, organizational restructuring and reductions in staffing.

In order to adjust our FY2002-03 General Fund Budget to match existing revenue, I recommended and Council approved a Reduction-in-Force which was accomplished in April, 2002. The net number of budgeted positions in the General Fund decreased by thirty and one-half. This number reflects the elimination of seventeen full-time positions, ten summer positions, and one part-time position. Four positions were frozen for this funding period (but included in the employee count) and one will be funded from HUD and one-half position from the Transit Fund. In addition to the Reduction-in-Force, two other positions were eliminated and replaced by contractual agreements. In light of the fact that I have recommended that the present Assistant City Manager's position vacated by retirement not be included in next year's Budget, I am including one new position: an Assistant to the City Manager. This position will provide administrative staff support and assistance to the City Manager on day-to-day organizational and operational issues.

In addition, I think that the Salisbury City Council can see that as a result of major decisions made during the course of the last several years regarding critical water and sewer utility issues,

that we are beginning to recognize a stabilization of our water and sewer rates. In this Budget, I am recommending an average residential water and sewer rate increase of 6.83 percent. In the following years, the water and sewer rate increase, unless impacted by new state or federal mandates, should be less than two percent. Our water and sewer utility will continue its remarkable transformation from a small municipal system to a diversified, broad-based regional utility.

The results of the seventeenth Annual Future Directions and Goal Setting Conference for the City of Salisbury are listed following this Budget Message. The Management Team and I have begun to refocus our resources and begin anew the process of problem solving. We are energized by the prospects of challenge and change. Dollars available to support current levels of service will be less. One definition of less is “more limited in quantity and size.” The question is “Can we do more with less?” I think we can! Less is, after all, a commodity. It has substance. Setting clear priorities, maximizing existing resources, and being creative will produce positives results!

POLICE DEPARTMENT

The Salisbury Police Department (SPD) will continue its efforts with the successful community-policing model selected by the Salisbury City Council through the implementation of the Police Crime Control Plan, Strategic Plan and Patrol Plan concepts. The Crime Control Plan will focus on three major initiatives selected by citizens: diversity, youth violence, and police/church partnerships. The plan has been implemented and will continue to be evaluated in the coming year. Districts have been reduced from three to two, with three beats each. A supervisor is mandated to be in each District for the majority of the time. The new format will assist with analyzing crime in specific neighborhoods while holding teams of officers accountable for their beats.

Due to an award of two major grants, the Department is able to strengthen the utilization of computers and video cameras in cars. The nearly \$250,000 technology grant will allow officers to receive more information in vehicles and complete more work in vehicles. This will reduce time normally spent traveling to the department.

The project will continue to be phased in. SPD will soon have a camera in every patrol car. This will assist with citizen complaints and officer safety. Grants from the North Carolina Department of Highway Traffic and Safety and funds from the Salisbury Capital Reserve Fund continue to strengthen this initiative.

The Police Department will increase the efficiency and effectiveness of the Police K-9 Program through the City Ownership Program. Of the six K-9 teams, the City now owns three. We are scheduled to purchase another canine, replacing one of the older dogs. This purchase will leave us with a team of six, while owning four.

Continued funding of the Chaplaincy program will strengthen support to all department personnel in many personal and professional ways. Department Chaplains assisted Officers and family members in a number of situations, including the pedestrian death, Catawaba/Livingstone death and the two Catawba College student homicides. Several citizens have complimented their assistance.

In an effort to promote community partnerships while improving the quality of life for our local senior citizens, SPD has agreed to perform additional patrols and programs at the Yadkin House and the surrounding district. The Department is losing one grant position from the Housing Authority and will supplement the position with other Housing Authority grant funds, targeting the neighborhoods around the Yadkin House.

With the recent budget restraints, our greatest challenge will be to maintain staffing, while replacing vacancies swiftly. The Department has re-organized, assigning additional duties to all administrative staff. Our tactical operations have been restructured to more aggressively address vice issues.

FIRE DEPARTMENT

The Salisbury Fire Department will continue to provide fire safety for the citizens of Salisbury. Training will continue to be a major focus for the Department. Training for the Department personnel is delivered and assisted by the National Fire Academy, the Department of Insurance, Rowan-Cabarrus Community College, Guilford County Community College, and the Institute of Government at Chapel Hill. Training is one of the key elements in achieving and maintaining the Department's Class II ISO fire rating.

As a result of the Citywide Reduction-in-Force, the Department lost two clerical support positions. This administrative workload has been redistributed to the present Logistics Officer and Project Analyst. The department does not expect a decreased level of service as a result of the loss of these two positions.

Plans for the addition of a new station on US Highway 70, including equipment and personnel, have necessarily been put on hold as a result of the State budget crisis. The Department is hopeful that this project can be implemented at the earliest possible time in order to meet a growing service need in the southwestern portion of our City.

PUBLIC SERVICES

The Public Services Department includes the following divisions: Traffic Operations, Solid Waste Management, Street, Transit, Fleet Management, Landscape Operations, Hurley Park, and Cemetery.

As a result of the State budget crisis and resulting City budget reductions, staffing added in the Street Division to further serve residential, commercial and industrial sectors has been eliminated. Funding for overtime and temporary help has also been reduced. Powell Bill funding, essential for street repair and paving, has also necessarily been reduced in the Street Division.

Other Division levels of service impacted are in Solid Waste, Traffic Operations, Street, and Landscape Operations. The Public Services Department had developed a service level priority plan which identifies "essential: services which are carried out daily".

Commercial solid waste route adjustments and collection frequencies have necessarily been impacted. Changing traffic signal bulbs, cleaning storm drains and other designated services will

be performed as needed. Internal support for the Technology Services Division will be reduced, especially as it relates to special projects. Fleet Management, despite reduced funding, will carry out needed repairs. Some shortfalls in parts procurement may occur at the end of FY2002-03.

LAND MANAGEMENT AND DEVELOPMENT

The Land Management and Development Staff have begun the annexation process for the area along US Highway 70 in the general vicinity of Westcliffe and Hendrix Estates subdivisions. The Resolution of Intent and the Annexation Report were adopted by City Council in March, 2002. A Public Information Meeting was held on April 24, 2002 and a formal Public Hearing will be conducted on May 7, 2002. City Council will consider the Annexation Ordinance on June 18, 2002 and the effective date of annexation is scheduled to be June 30, 2003.

Department staff will also be assisting the Vision 2020 Implementation Committee (soon to be appointed by City Council). I have included \$30,000 in the Budget to conduct an audit of existing Ordinances and Policies for conformance/conflict with the Vision 2020 plan. Results of the audit will lead to recommendations for Ordinance and Policy revisions.

The North Carolina Department of Transportation (NCDOT) has provided the City with two grant opportunities that will lead to construction this year:

- The State has awarded a grant of up to \$602,544 for downtown streetscape improvements. The grant requires a local match of \$175,000, which will be carried over from last year.
- The State has awarded a \$300,000 grant for construction of the second phase of the Grants Creek Greenway (Prescott Drive in the Eagle Heights neighborhood to Forestdale Drive in the Meadowbrook neighborhood). The grant requires a local match up to \$39,000, which is included in this year's Budget.

Additionally, the City will be reimbursed by NCDOT for 80% of the cost of replacing the Ellis Street Bridge. This project has been plagued by delays, but is expected to incur design expenses this year. Construction is expected to begin in FY2003-04.

The City is also participating with NCDOT to include enhancements on three of their major projects. The City's participation will be paid in three annual principal payments upon completion of each project. None of the projects has a direct impact on this year's budget; however, each one represents a commitment on future year's budgets:

- The City will provide approximately \$122,500 per year in FY 2004, FY 2005 and FY 2006 to extend noise barriers along I-85 and to install sidewalks along East Innes Street from Town Creek to the County Health Department.
- The City will provide approximately \$27,700 per year in FY 2005, FY 2006 and FY2007 to install a planted median from Long Street to Depot Street and to provide imprinted sidewalks on the replacement bridge on East Innes Street over the railroad.
- The City will provide up to \$39,400 per year in FY 2005, FY 2006 and FY2007 to install sidewalks along US Highway 70 from Holly Avenue towards the statutory annexation areas of Westcliffe and Hendrix Estates.

Impacts of Reduction in Force on Levels of Service

The Land Management and Development Department implemented the Reduction-in-Force through the retirement of the Department Director, conversion of the Community Development Manager's position to a contract employee funded through HUD, freezing of a vacant Planner position, and elimination of an Engineering Technician position.

With the loss of staff and funding, the Street Light Improvement Program has been postponed indefinitely. Staff will attempt to provide the following limited services as needed:

- Report street light outages to Duke Power as notified by citizens
- Respond to Police Department priority requests
- Coordinate street lights with new subdivision construction
- Coordinate special projects funded by a specific source (i.e. East Innes Street at I-85)
- Provide petitions to statutory annexation areas to give new City residents priority for funds once the program is restored

No other programs have been eliminated, but staff support to the Historic Preservation Commission, Subdivision Administration, and Neighborhood Traffic Calming has been reduced. This is likely to result in slightly longer delays in these areas.

PARKS AND RECREATION

The recommended Parks and Recreation budget represents a significant change in service levels to the community. Seven (7) positions were lost, two (2) full time, one (1) temporary part time, and four (4) summer seasonals. This, along with reduced capital funding, will result in an ever-increasing reliance on private sector support and donations for operation of programs and facilities.

Program Operations will attempt to support special events through increased donations and sponsorships. There will be a reduction in the number of programs offered by the Parks and Recreation staff and an increased reliance on contract services and private providers, especially in the athletic program area. The summer camp program at the Civic Center has been eliminated; however, Miller Center and City Park camps will continue. There will also be a shortening of operating hours for the Civic Center.

Park Maintenance will undergo a reorganization to maximize the talents and number of staff available to maintain our parks, prepare ballfields, tennis courts, mow grass, collect trash and repair facilities. There will be some service level changes - mowing schedules will slow to a 10 day rotation as opposed to our normal 7 day schedule. Every attempt will be made to continue our current level of operation for trash collection and ballfield preparations.

Marketing and Community Relations will take on a critical role in this Budget as the department looks for outside funding sources and sponsorships for our programs and park development.

Capital funding has also been reduced, thereby slowing the repair and maintenance projects for all parks in the system, and also delaying neighborhood parkland acquisition and implementation of the Parks and Recreation Master Plan in conjunction with the City 2020 Plan.

In the FY1997-98 Budget, City Council approved a Revenue and Pricing Policy for the Parks and Recreation Department. Exhibit 5, following the Budget Message, contains the updated Revenue and Pricing Policy for approval by City Council.

HUMAN RESOURCES

The Human Resources Department continues to work towards achieving the goal of initiating programs that attract, retain and develop high quality City employees. To this end, the following recommendations are made.

Merit Increases and Compensation

Despite the economic downturn, this year's Budget includes an average two and one half percent increase. This recommendation is made in order to compensate employees who are challenged to do more with less in light of the recent Reduction-in-Force. In addition, this action will limit the impact of actual salaries falling behind future labor market projections.

Furthermore, I am proposing to increase the maximum of each salary range by five percent to allow for growth within a salary range.

Health Insurance

This year the cost of health care has continued to skyrocket. This factor coupled with the fact that we can no longer provide the current group health insurance plan presented an opportunity to implement a comparable plan that holds down costs. The recommended plan requires an increase of 12.4% over the current rates. This is a substantial cost savings considering the average increase state-wide and nation-wide is 30-40%.

Training and Development

The FY2002-03 Budget includes funding to continue Multiculturalism Training for all City employees. I also recommend funding to continue Supervisory Training and training sessions on special informational as well as compliance topics.

TRANSIT FUND

The Salisbury Transit System will not be adversely affected by State budget cuts. In fact, the State Maintenance Assistance Program (SMAP) funding has increased from \$57,000 to \$135,000 in FY2001-02. It is anticipated that SMAP funds will increase to \$136,520 in FY2002-03. Federal operating assistance also increased \$10,000 for FY2002-03. The increased funding will allow the system to maintain the City's local match at \$160,282.

SMAP and federal funding will allow the system to accomplish the following in FY2002-03:

- Fund fifty percent of the salary for a Mechanic Shift Supervisor
- Increase service to the east side of town to include the new Super Wal-Mart
- Purchase additional bus shelters
- Print route maps and schedules to reflect route additions/alterations
- Purchase shop equipment to aid in fleet maintenance
- Fund the substantial increase in Americans with Disabilities Act (ADA) transportation costs

The recommended budget for Administration, Operations, and Capital are as follows:

Personnel	\$ 460,184
Operations	138,358
Capital	<u>26,200</u>
Total	\$ 624,742

VEHICLE AND EQUIPMENT REPLACEMENT FUNDS

It is recommended that \$1,298,726 included in the FY2002-03 General Fund Budget be transferred to the FY2002-03 General Fund Capital Reserve Fund. These funds, plus \$30,000 from interest earnings, will be programmed this year for replacement of the General Fund fleet and computer equipment, in accordance with replacement schedules. Extending estimated life spans of some vehicles was necessary to meet budget reduction requirements due to the State budget crisis.

It is recommended that \$312,101 be transferred from the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund. These funds, plus \$20,000 from interest earnings will be programmed to purchase the necessary Water and Sewer Fund vehicles and computer equipment in accordance with replacement schedules.

SPECIAL REVENUE FUNDS

The City of Salisbury will receive approximately \$375,000 in Community Development Block Grant (CDBG) funds, \$126,000 in HOME funds, and \$150,000 in program income for a total budget of \$651,000. The following budget represents the requests from citizens of the FY2002-03 CDBG and HOME funds.

<u>Activities</u>	<u>Funding</u>
Acquisition/Rehab/Resale (CDBG)	\$218,000
Emergency Rehabilitation (CDBG)	60,000
Jersey City Community Center (CDBG)	75,000
Program Administration (CDBG)	67,000
Acquisition/Resale (HOME)	35,200
Housing Rehabilitation (HOME)	20,000
Homeownership Assistance (HOME)	60,000
Program Administration (CDBG)	10,800
 <u>Public Services</u>	
Rowan Helping Ministries (CDBG)	25,000
Family Crisis Council (CDBG)	17,000
Rowan Community Care Clinic (CDBG)	10,000
Salisbury Youth Employment	10,000
Community Youth Garden	<u>5,000</u>
 TOTAL BUDGET	 \$651,000

WATER AND SEWER FUND

The Water and Sewer Utility will continue its remarkable transformation from a small municipal system (Salisbury Utilities Department) to a diversified, broad-based regional (countywide) utility - **The Salisbury-Rowan Utilities Department**. Our partnerships with Rowan County and Rowan County Power, LLC have led to the expansion of our Water Treatment Plant and overall system capacity, extension of water service to Southern Rowan County, and the US Highway 70 growth corridor. These capital projects are still on schedule to be completed during the coming fiscal year. All of these changes have led to the reorganization of our Utility Department to better meet the tremendous challenges and opportunities facing Salisbury and Rowan County, now and in the future. Our directive - to stabilize water and sewer rates over the next two years - will continue to be a challenge. Implementation of our water plan and the resulting diversification of our customer base and increase in revenues will meet the criteria for water.

New challenges to stabilizing existing rates may, in the future, come not from water, but from our aging sewer infrastructure, new regulations and proposed nutrient limits on High Rock Lake. Should new state mandates come in these areas, it could adversely affect the sewer rates over the next several years.

During this fiscal year, our long range planning efforts will focus on developing a plan for our sewer needs so that realistic rate projections can be made.

Our recommended Water and Sewer Fund Budget of \$15,143,405 for FY2002-03 represents a 6.83% average residential water and sewer rate increase. Average monthly residential water and sewer utility bills would increase from \$45.69 to \$48.81. The proposed rate increase would be effective July 1, 2002. The proposed rate increase is primarily for the retirement of debt service from the issuance of \$20.505 million in revenue bonds to cover the City's share of the \$35.1 million in water system capital improvement projects. In addition, all water and sewer fees will be reviewed during FY2002-03, as only minor changes have been made since 1987. Strong consideration should be given to recovering actual average costs of service. The GO WITH THE FLOW program has been modified, and is only offered for six months to residents served by new water and sewer lines immediately upon their completion and acceptance. To address losses for customers who fail to pay their accounts, customer deposits have been raised by \$25 to \$125 for residential and \$175 for commercial.

In order to address critical space needs for our Utility operations, the Utilities Department will need to reoccupy the former Waterworks Art Gallery that is still owned by the City. It will therefore be necessary for The Salisbury-Rowan Utilities Department to reimburse the Waterworks Art Gallery for \$250,000 of their \$750,000 leasehold improvements over a three-year period, beginning July 1, 2003.

While the next several years will be somewhat lean, the future looks very bright indeed. Our plan will lead to achieving the economy-of-scale necessary to stabilize rates by July 1, 2003. Our ultimate goal from the Salisbury Vision 2020 Comprehensive Plan gives consideration to the growth and expansion of the City's water and sewer utilities, and lays out suggested policies that call for the City to place greater emphasis on the use of water and sewer as a growth management tool. The plan suggests focusing on targeted growth areas, financial incentives, and partnerships to achieve growth that is consistent with the City's policies. Our partnerships with

Rowan County and Rowan County Power, LLC meet these criteria. The expansion projects contained in our bond issue are fully consistent with the Vision 2020 Plan, and are therefore in line with the City's concurrent desires to maintain financial viability for its utilities, while neither exhausting its finite water supply, nor contributing to "sprawl".

Perhaps the best summary of our plan, and the goal sought by The Salisbury-Rowan Utilities Department of becoming one of the leading utility operations in the state and region is from the "Community Vision" section of the Salisbury Vision 2020 Plan regarding water and sewer services, which states:

"We see a high quality water supply system, sufficient for growth, well maintained, and financially self-supporting."

That is the goal of our utilities, and we have made remarkable progress in a short amount of time towards that objective. This next fiscal year will be a year to remember for our Utilities Department!

NOTE TO THE GOVERNOR AND THE NC GENERAL ASSEMBLY

FY2002-03 will be the final year for the reimbursements for previously repealed local taxes. The General Assembly, during the 2001 session, passed legislation to end these reimbursements effective June 30, 2003. The General Assembly provided authority for County Boards of Commissioners to convert the most recent one-half cent state sales tax to a local option sales tax, effective July 1, 2003. If a Board of Commissioners does so, the statute provides that each municipality and county will get at least as much from the one-half cent sales tax as it did from the reimbursements. Over time, revenues from the one-half cent sales tax will exceed the amount of reimbursements for most cities and towns. Local option sales taxes are not subject to withholding by the Governor.

The City of Salisbury receives \$1,563,088 annually in reimbursements, an amount equivalent to 8.4 cents on the property tax rate. This revenue source will end June 30, 2003. Whether there is a long-term alternative revenue source will depend on action of the Rowan County Board of Commissioners.

It is the City of Salisbury's firm opinion that these reimbursement revenues and state-collected local taxes, including the funds that Governor Easley is withholding, belong to the taxpayers of the City of Salisbury. Respectfully, we in the City of Salisbury must insist that Governor Easley release these essential revenues for the current year, that the General Assembly assure full, timely distribution of all of these funds next year, and that Governor Easley not withhold funds that belong to the citizens of Salisbury next year.

IN CONCLUSION

I want to especially thank John Sofley, Finance Director, Teresa Harris, Budget and Performance Measurement Manager, the entire Utility Management and Finance Team, Myra Heard, Finance Specialist and the entire Finance Department staff for another excellent effort on an extremely difficult budget. Thanks are also in order for the City Management Team and all Department and Division Managers who worked so hard to prepare this financial plan. I would like to bid a

good farewell to Foster Owen, Assistant City Manager and Larry Chilton, Land Management and Development Director on their respective retirements. With over 60 years of exemplary service in local government experience leaving with them, I for one will miss their friendship, support and professionalism.

I will also miss the dedicated service provided to our citizens for each of the eight employees who lost their jobs through no fault of their own. Each provided valuable service to our citizens and organization. We will do our best to help in locating suitable employment for each affected employee.

In addition, I would like to thank the City Council, the Volunteer Boards and Commissions for their vision and commitment during the Goal Setting and Future Directions Process. I also appreciate the time that each member of City Council will spend in evaluating and finalizing the recommendations contained in this year's Budget. I look forward to working with each of you in adopting the FY2002-03 Budget and appreciate your continued support in implementing the Outcomes, Strategies, Goals and Service Levels contained in this Budget. Please note that the results of our strategic planning efforts follow this Budget Message.

In these times of uncertainty, the one thing that I am sure of is that Salisbury will continue to concentrate on our core values, mission, and vision. It is our goal to provide the quality of services that our citizens desire at a cost that they are willing to pay. We, in the City government, will strive to provide much needed value to our customers - the citizens of Salisbury.

David W. Treme
City Manager

ADDENDUM

On May 7, 2002, the City Manager presented a balanced FY2002-03 Budget proposal that totaled \$42,754,602 for all funds. The public hearing was set for Tuesday, June 18, 2002. No citizens spoke at the public hearing.

At a special City Council Meeting on June 27, 2002, City Council adopted the Annual Budget as recommended by the City Manager.

EXHIBIT 1

Outcomes, Strategies & Goals Update – FY 2002-03

Outcome #1 – Improve City neighborhoods and develop and maintain a sustainable feeling of safety for all areas of the City.

Goals Assigned to Outcome

- #1 Implement the Police Department Strategic Plan. – Police
- #2 Implement the Crime Control Plan.- Police
- #3 Continue leadership training in selected neighborhoods. – Land Management and Development
- #4 Broker projects to improve housing and neighborhoods, working with the Community Development Corporation (CDC) and other community funding sources. - Land Management and Development
- #5 Continue to implement the Park Avenue Plan. - Land Management and Development
- #6 Seek funding for tree planting in selected neighborhoods (Tree Board requested \$5,000).

Outcome #2 - Identify and implement strategies for expanding the tax base and generating new revenue sources.

Goals Assigned to Outcome

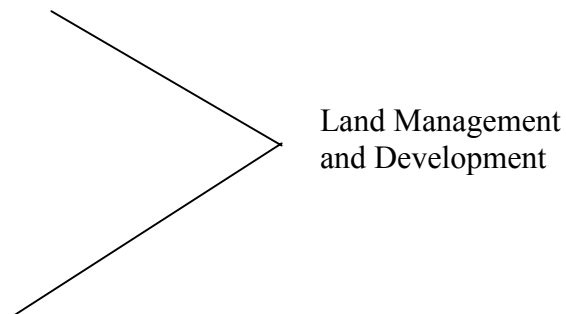
- #1 Complete planned annexations. – Land Management and Development
- #2 Identify new revenue sources to match specific needs. – Finance
- #3 Partner with the Visitors and Convention Bureau to enhance event recruitment. – Parks and Recreation

Outcome #3 - Adopt managed growth criteria for extensions along growth corridors and construct water and sewer lines to targeted growth areas throughout Rowan County.

Goals Assigned to Outcome

#1 Consider managed growth prerequisites including:

- Extra-territorial jurisdictions (ETJ)
- Identification of growth corridors
- Economic development requirements
- County zoning considerations
- Incentives for managed growth



- #2 Continue to develop joint water and sewer extension policies with consideration of managed growth criteria. – Land Management and Utilities
- #3 Consider growth pre-requisites consistent with the Salisbury Vision 2020 Plan. – Land Management and Development

Outcome #4 - Provide quality parks and recreation services for City residents through attractive parks, well maintained facilities, a variety of programs, and a strong planning system.

Goals Assigned to Outcome

- #1 Continue construction of the Salisbury Community Park and Recreation Complex. – Parks and Recreation
- #2 Continue to develop funding sources for future phases of the Parks and Recreation Project. - Parks and Recreation
- #3 Continue renovation of existing Park and Recreation facilities. - Parks and Recreation
- #4 Complete master plans for individual parks. - Parks and Recreation
- #5 Identify additional revenue sources for Greenway System construction. - Parks and Recreation
- #6 Seek funding for establishing a Salisbury Rowan Hall of Fame. . - Parks and Recreation

Outcome #5 – Act on the Innes Street Zoning Overlay Plan to develop and implement a plan of action to visually and functionally enhance the Innes Street Corridor.

Goals Assigned to Outcome

- #1 Engage businesses and key property owners to obtain support for modifications to the VCOD ordinance leading to the application of that ordinance to appropriate properties. - Land Management and Development
- #2 Install Mast-Arm Signal supports at appropriate intersections along Innes Street. - Land Management and Development

Outcome #6 – Establish a process for implementing the Salisbury Vision 2020 Plan.

Goals Assigned to Outcome

- #1 Create a Salisbury Vision 2020 Implementation Task Force. - Land Management and Development
- #2 Complete and audit of City policies, ordinances and standards to determine compliance with the goals of Salisbury Vision 2020. - Land Management and Development
- #3 Management Team to review the Salisbury Vision 2020 to identify opportunities to support the plan through on-going City operations. - Land Management and Development

Outcome #7 - Develop and maintain a climate of City-County cooperation on projects of mutual interest and concern

Goals Assigned to Outcome

- #1 Request that Rowan County develop a land use strategy along utility growth corridors based on sound land management principles.
- #2 Conduct periodic City-County meetings with elected officials as needed. – Administration

Outcome # 8 - Initiate programs to attract, retain, and develop high quality City employees.

Goals Assigned to Outcome

- #1 Continue implementation of Multiculturalism Training for all City employees and interested citizens. - Human Resources
- #2 Continue to implement an employee training and development plan. - Human Resources
- #3 Continue to evaluate applying the “Broad Banding” compensation program to other departments, in addition to the Utilities Department. - Human Resources
- #4 Develop and implement recruitment strategies to recruit employees from diverse populations within the community. - Human Resources
- #5 Develop strategies to attract quality employees. - Human Resources

Outcome # 10 - Continue to strengthen partnerships with the Rowan/Salisbury schools that improve the quality of education in Salisbury. - Administration

- #1: Provide Parks and Recreation facilities for tennis, cross country, and special meetings – on-going
- #2: Developed a joint partnership with Rowan Salisbury Schools and Salisbury High School to improve the athletic facilities on the Salisbury High School Campus – in process
- #3: Continue to jointly fund School Resource Officers for Salisbury High School, Knox Middle School and the Henderson Independent School.
- #4: Continue Fire Department fire safety programs for elementary schools.
- #5: Adopt a resolution to obtain a commitment from the School Board to preserve and expand Salisbury High School to 1,200 students.
- #6: Offered surplus PC’s and printers to schools.

Outcome #11 - Improve the overall management of the City and its departments.

Goals Assigned to Outcome

- #1 Participate in Statewide programs with other cities to establish performance standards. - Finance
- #2 Develop system of standards to measure performance and accomplishments for all City departments.
- #3 Monitor accomplishments in achieving stated standards.
- #4 Create, monitor and evaluate departmental strategic plans. – Administration

- #5 Evaluate periodically the status of the City's outcomes and goals, and take corrective action as necessary. – Administration
- #6 Continue the City's goal setting and future directions process. – Administration
- #7 Implement a comprehensive volunteer program.
- #8 Develop a formal program for obtaining private donations to meet specific City government needs.

Outcome #12 - Implement special City Council initiatives to improve the quality of life for Salisbury citizens.

Goals Assigned to Outcome

- #1 Respond to special requirements and initiatives of the City Council, Boards and Commissions, and partnerships with other organizations. – All Departments
- #2 Provide appropriate training for all Boards and Commissions regarding roles, responsibilities and expectations. – Land Management and Development
Update & Status: Training provided at a workshop in Hickory.
- #3 Request that City staff complete a feasibility study for an active community television access channel.

Outcome #13 - Continue to improve and enhance our City's Downtown.

Goals Assigned to Outcome

- #1 Partner with Downtown Salisbury, Inc. (DSI) to implement a Downtown Salisbury Master Plan. - Land Management and Development
- #2 Implement recommendations from the DSI Parking Committee based on available resources. - Land Management and Development
- #3 Work with DSI to determine the need for Police service in the downtown area. – Police

EXHIBIT 2
CITY OF SALISBURY
SPECIAL PROJECTS FOR FY2002-03

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>
MANAGEMENT & ADMINISTRATION			
Institute of Government - Facility Project	\$ 5,000	\$ 5,000	\$ 5,000
Total Special Projects	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
HUMAN RESOURCES			
Multiculturalism Training Program	\$ 10,000	\$ 10,000	\$ 10,000
HRIS	8,000	-	-
Salary Adjustments	55,000	-	-
Background Investigations	5,000	5,000	5,000
Employee Training & Development Program	20,000	20,000	20,000
Market Data Purchase	4,000	-	-
Total Special Projects	<u>\$ 102,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>
FINANCE			
Software Modifications	\$ 4,000	\$ 4,000	\$ 4,000
Total Special Projects	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
INFORMATION TECHNOLOGIES			
Five-Year Technology Study	\$ 20,000	\$ 10,000	\$ 10,000
Web Study	5,000	-	-
Web Re-design	57,000	-	-
Total Special Projects	<u>\$ 82,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
TELECOMMUNICATIONS			
Cable TV Franchise Renewal and ROW Ordinance	\$ 20,000	\$ 20,000	\$ 20,000
Total Special Projects	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
POLICE			
Administration (514)			
Crime Control Plan	\$ 10,000	\$ 10,000	\$ 10,000
Re-Accreditation	4,000	4,000	4,000
Accreditation Mock Assessment	1,500	1,500	1,500
Diversity Enhancement Services	5,000	5,000	5,000
Wellness Program	5,000	5,000	5,000
Police Chaplaincy Program	7,000	5,000	5,000
Total Special Projects	<u>\$ 32,500</u>	<u>\$ 30,500</u>	<u>\$ 30,500</u>
FIRE			
Matching Grant Funds	\$ 67,968	\$ -	\$ -
Total Special Projects	<u>\$ 67,968</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>
LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT			
Planning Board:			
2020 Implementation	\$ 30,000	\$ 30,000	\$ 30,000
Historic Preservation Commission:			
Historic District Grant	30,000	30,000	30,000
Community Appearance:			
Neighborhood Rehab Grant	100,000	100,000	100,000
Awards Program	5,000	4,000	4,000
Spruce-up and Landscape Programs	1,800	1,600	1,600
Innes Street Incentive Grant	25,000	25,000	25,000
Downtown Benches and Trash Receptacles	12,000	-	-
Tree Board:			
Neighborhood Tree Plantings	5,000	-	-
Downtown Tree Replacements	10,000	-	-
Pocket Park - Elm/Lincolnton	3,000	-	-
Boxwood Park	5,000	-	-
Other:			
Tank Removal at Park Avenue	14,000	14,000	14,000
GIS (491-701)			
ArcSDE GIS Data Storage	18,900	18,900	18,900
Total Special Projects	<u>\$ 259,700</u>	<u>\$ 223,500</u>	<u>\$ 223,500</u>
LAND MANAGEMENT & DEVELOPMENT-ENGINEERING			
Council Street RR Crossing	\$ 20,000	\$ 20,000	\$ 20,000
Greenway, Phase 2 Construction	339,000	339,000	339,000
Brenner Avenue Pedestrian Medians	25,000	-	-
Storm Drain Incentive Grants	25,000	25,000	25,000
Sunset Drive Traffic Calming	35,000	3,000	3,000
Innes Street Overhead Wires	10,000	-	-
Club House Drive	110,000	-	-
Total Special Projects	<u>\$ 564,000</u>	<u>\$ 387,000</u>	<u>\$ 387,000</u>
PUBLIC SERVICES-ADMINISTRATION			
Facilities Study	\$ 30,000	\$ -	\$ -
Total Special Projects	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-STREET			
Utility Strip - 100 W. Innes St. - North Side	\$ 10,000	\$ -	\$ -
200 S. Main Street - East Side			
Target Neighborhood Improvements	5,000	-	-
Stabilize Creek Bank Adjacent to Park Road	10,000	-	-
Total Special Projects	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-CEMETERY			
Trash Receptacles-All Cemeteries	\$ 1,000	\$ -	\$ -
Total Special Projects	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>
PUBLIC SERVICES-LANDSCAPE OPERATIONS			
Downtown Street Trees	\$ 10,000	\$ -	\$ -
Neighborhood Trees	5,000	2,500	2,500
Tree Board Awards Program	2,000	1,500	1,500
Arbor Day Celebration	500	500	500
Brown-Wiseman Boxwood	5,000	-	-
Property Demolition	35,000	35,000	35,000
Total Special Projects	<u>\$ 57,500</u>	<u>\$ 39,500</u>	<u>\$ 39,500</u>
PUBLIC SERVICES-LANDSCAPE OPERATIONS-HURLEY PARK			
Spring Celebration	\$ 1,600	\$ 1,600	\$ 1,600
Main Entry Garden Sign	2,000	-	-
Main Entry Garden Renovation	3,000	-	-
Water Fountain and Trash Can-Annex	4,000	-	-
Total Special Projects	<u>\$ 10,600</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>
GRAND TOTAL-SPECIAL PROJECTS	<u>\$ 1,261,268</u>	<u>\$ 756,100</u>	<u>\$ 756,100</u>
 <i>TOTAL OFFSETTING REVENUE</i>			
	\$ 300,000	\$ 300,000	\$ 300,000
 TOTAL CITY SHARE			
	\$ 961,268	\$ 456,100	\$ 456,100

EXHIBIT 3
SPECIAL COMMUNITY EFFORTS GROUPS APPROPRIATIONS FOR FY 2002-03

	FY2001-02 ADOPTED	REQUESTED	MANAGER RECOMMENDS	ADOPTED
Human Relations Council	\$ 3,500	\$ 18,700	\$ 3,500	\$ 3,500
Action Grants	22,000	35,000	22,000	22,000
Community Appearance	1,200	12,000	1,200	1,200
Historic District Commission	500	1,000	500	500
Salisbury-Rowan EDC	53,670	53,670	53,670	53,670
Downtown Salisbury, Inc.	60,580 *	65,580 *	60,580 *	60,580
Tree Board	900	900	400	400
Waterworks Gallery	10,000	10,000	10,000	10,000
Rowan Museum	6,000	6,000	6,000	6,000
United Arts Council	45,000	45,000	45,000	45,000
Rufty Holmes Senior Center	50,000	50,000	50,000	50,000
Rowan Information & Referral	4,500	6,633	4,500	4,500
Supplementary Education	42,342	42,342	42,342	42,342
	<u>\$ 300,192</u>	<u>\$ 346,825</u>	<u>\$ 299,692</u>	<u>\$ 299,692</u>

* Includes \$6,000 for Christmas Lights

EXHIBIT 4
POSITION LISTING WITH SALARY RANGES

Position	Grade	Salary Range	
		Minimum	Maximum
Account Clerk I / II	122	\$19,350	\$37,572
Accountant I / II	131	\$24,149	\$46,869
Accounting Manager	151	\$39,486	\$76,637
Animal Control Specialist	120	\$18,429	\$35,752
Assistant City Manager	260	\$51,828	\$104,181
Assistant Fire Chief	445	\$50,858	\$71,562
Assistant Systems Manager	516C	\$33,348	\$52,525
Assistant Utilities Director	523E	\$52,647	\$82,919
Athletic Maintenance Manager	136	\$27,310	\$53,006
Automotive Service Technician	701	\$18,949	\$35,752
Battalion Chief	439	\$39,848	\$56,070
Bldg. & Grounds Maint. Wkr. I	110	\$14,414	\$27,955
Bldg. & Grounds Maint. Wkr. II	114	\$15,893	\$30,860
Budget & Benchmarking Analyst	143	\$32,433	\$62,949
Budget & Performance Management Manager	150	\$38,532	\$74,780
Buyer	122	\$19,350	\$37,572
Cemetery Operations Manager	136	\$27,310	\$53,006
Center Attendant	115	\$16,286	\$31,634
Chemist	513C	\$25,418	\$40,033
City Clerk	234	\$27,274	\$54,824
City Code Inspector	121	\$18,886	\$36,650
City Engineer	153	\$41,477	\$80,508
Civil Engineer III	147	\$35,786	\$69,473
Community Dev & Neighborhood Planning Mgr	153	\$41,477	\$80,508
Crime Analyst	327	\$25,903	\$45,600
Crossing Guard	105	\$12,734	\$24,734
Customer Service Clerk I	114	\$15,893	\$30,860
Customer Service Clerk II	118	\$17,534	\$34,029
Customer Services Supervisor	131	\$24,149	\$46,869
Department Secretary	126	\$21,353	\$41,441
Department Secretary	509C	\$23,010	\$36,242
Deputy Police Chief	349	\$41,350	\$72,793
Development Services Manager	147	\$35,786	\$69,473
Development Services Specialist	127	\$21,882	\$42,479
Engineering Technician	513C	\$25,418	\$40,033
Engineering Technician II	124	\$20,326	\$39,455
Equipment Operator I	113	\$15,517	\$30,119
Equipment Operator II	120	\$18,429	\$35,752
Facilities Maintenance Supervisor	128	\$22,427	\$43,530
Facilities Management Director	145	\$34,070	\$66,134
Finance & Administration Manager	521D	\$43,934	\$69,189
Finance & Support Services Manager	521D	\$43,934	\$69,189
Finance Director	255	\$45,808	\$92,081
Finance Specialist	126	\$21,353	\$41,441
Fire Captain	431	\$32,783	\$48,435

Position	Grade	Salary Range	
		Minimum	Maximum
Fire Chief	255	\$45,808	\$92,081
Fire Control Specialist I	420	\$21,080	\$32,783
Fire Control Specialist II	424	\$24,463	\$36,143
Fire Engineer	427	\$26,971	\$39,849
Fire Investigations/Inspection Officer	439	\$39,848	\$56,070
Fire Investigation/Inspection Specialist	431	\$32,783	\$48,435
Fire Logistics Officer	431	\$32,783	\$48,435
Fire Projects Analyst	431	\$32,783	\$48,435
Fiscal Analyst	140	\$30,126	\$58,477
Fleet Services Manager	145	\$34,070	\$66,134
Fleet Services Shift Supervisor	134	\$26,000	\$50,450
Fleet Services Supervisor	136	\$27,310	\$53,006
Grounds Maintenance Supervisor	128	\$22,427	\$43,530
Grounds Maintenance Worker I	109	\$14,061	\$27,300
Grounds Maintenance Worker II	114	\$15,893	\$30,860
Human Resources Director	255	\$45,808	\$92,081
Identification Specialist	121	\$18,886	\$36,650
Industrial Pretreatment Coordinator	514C	\$29,394	\$49,293
Information Technologies Manager	600	\$51,695	\$90,042
Inventory Control Specialist	514C	\$29,394	\$49,293
Laboratory Analyst	510C	\$23,498	\$43,614
Laboratory Supervisor	515C	\$32,760	\$51,597
Land Mgmt & Dev Director	260	\$51,828	\$104,181
Landscape Division Manager	131	\$24,149	\$46,869
Landscape Maintenance Supervisor	128	\$22,427	\$43,530
Mail Coordinator	115	\$16,286	\$31,634
Marketing & Community Relations Manager	136	\$27,310	\$53,006
Master Police Officer	327	\$25,903	\$45,600
Mechanic	700	\$23,920	\$46,738
Meter Mechanic	502A	\$19,053	\$31,581
Meter Reader	502A	\$19,053	\$31,581
Meter Services Supervisor	511C	\$24,336	\$38,329
Meter Services Technician	502A	\$19,053	\$31,581
Minimum Housing/Inspection Specialist	121	\$18,886	\$36,650
Park Curator	123	\$19,832	\$38,493
Parking Control Specialist	120	\$18,429	\$35,752
Parks & Recreation Maintenance Manager	136	\$27,310	\$53,006
Parks & Recreation Director	251	\$41,500	\$83,422
Parts Manager	126	\$21,353	\$41,441
Permit Services Coordinator	121	\$18,886	\$36,650
Personnel Analyst I	134	\$26,000	\$50,450
Personnel Analyst II	139	\$29,394	\$57,068
Personnel Technician II	130	\$23,566	\$45,733
Planner II	134	\$26,000	\$50,450
Plants Maintenance Supervisor	512C	\$24,731	\$44,226
Plants Maintenance Supervisor	516C	\$33,348	\$52,525
Plants Maintenance Technician	505B	\$21,653	\$38,023
Police Chief	255	\$45,808	\$92,081

Position	Grade	Salary Range	
		Minimum	Maximum
Police Information Clerk	115	\$16,286	\$31,634
Police Lieutenant	339	\$32,433	\$57,097
Police Officer I	322	\$26,235	\$39,464
Police Officer II	324	\$28,858	\$43,410
Police Planner	143	\$32,433	\$62,949
Police Records Clerk	115	\$16,286	\$31,634
Police Records Coordinator	123	\$19,832	\$38,493
Police Sergeant	333	\$34,919	\$51,323
Police Telecommunicator	124	\$20,326	\$39,455
Police Telecommunications Supervisor	131	\$24,149	\$46,869
Productivity Analyst	143	\$32,433	\$62,949
Public Services Director	251	\$41,500	\$83,422
Purchasing Manager	143	\$32,433	\$62,949
Purchasing Technician	118	\$17,534	\$34,029
Recreation Aide	105	\$12,734	\$24,734
Recreation Coordinator	134	\$26,000	\$50,450
Recreation Leader	131	\$24,149	\$46,869
Recreation Program Manager	147	\$35,786	\$69,473
Regulatory Compliance Technician	506B	\$22,430	\$35,337
Residuals Operator	507C	\$22,569	\$42,304
Residuals Supervisor	516C	\$33,348	\$52,525
Risk Management Assistant	127	\$21,882	\$42,479
Risk Manager	150	\$38,532	\$74,780
Senior Building and Grounds Maintenance Worker	119	\$17,979	\$34,900
Senior Building Maintenance Worker	117	\$17,118	\$33,219
Senior Customer Service Clerk	122	\$19,350	\$37,572
Senior Meter Mechanic	508C	\$22,859	\$37,892
Senior Meter Reader	508C	\$22,859	\$37,892
Senior Office Assistant	119	\$17,979	\$34,900
Senior Planner	143	\$32,433	\$62,949
Senior Wastewater Treatment Plant Operator	508C	\$22,859	\$37,892
Senior Water Treatment Plant Operator	508C	\$22,859	\$37,892
Signs & Marking Crew Leader	121	\$18,886	\$36,650
Signs & Marking Technician II	116	\$16,702	\$32,412
Solid Waste Equipment Operator	119	\$17,979	\$34,900
Solid Waste Mgmt Division Manager	136	\$27,310	\$53,006
Solid Waste Operations Supervisor	128	\$22,427	\$43,530
Street Maintenance Manager	147	\$35,786	\$69,473
Street Maintenance Supervisor	128	\$22,427	\$43,530
Street Maintenance Worker I	109	\$14,061	\$27,300
Street Maintenance Worker II	114	\$15,893	\$30,860
Systems Analyst	601	\$37,850	\$69,169
Systems Maintenance Technician	505B	\$21,653	\$38,023
Technologies Services Technical Assistant	132	\$24,752	\$48,034
Telecommunications Manager	151	\$39,486	\$76,637
Traffic Operations Manager	139	\$29,394	\$57,068
Traffic Signal Technician I	118	\$17,534	\$34,029
Traffic Signal Technician II	122	\$19,350	\$37,572

Position	Grade	Salary Range	
		Minimum	Maximum
Transit Dispatcher	119	\$17,979	\$34,900
Transit Manager	136	\$27,310	\$53,006
Transit Operator	118	\$17,534	\$34,029
Transit Operator/Service Worker	118	\$17,534	\$34,029
Urban Design Planner	143	\$32,433	\$62,949
Urban Resource Planner	143	\$32,433	\$62,949
Utilities Construction Inspector	513C	\$25,418	\$40,033
Utilities Director	524F	\$72,301	\$113,861
Utilities Engineer	518D	\$38,864	\$61,220
Utilities Engineering Intern	513C	\$27,102	\$40,664
Utilities Engineering Manager	522E	\$50,181	\$75,271
Utilities Maintenance Supervisor	511C	\$24,336	\$38,329
Utilities Maintenance Technician	501A	\$17,043	\$30,991
Utilities Systems Manager	520D	\$42,608	\$67,117
Utility Plants Manager	521D	\$43,934	\$69,189
Utility Systems Supervisor	512C	\$24,731	\$44,226
Victim's Advocate	327	\$25,903	\$45,600
Wastewater Treatment Plant Operator	507C	\$22,569	\$42,304
Wastewater Treatment Supervisor	516C	\$33,348	\$52,525
Water Treatment Manager	521D	\$43,934	\$69,189
Water Treatment Plant Operator	507C	\$22,569	\$42,304
Water Treatment Supervisor	516C	\$33,348	\$52,525
Zoning & Code Enforcement Specialist	121	\$18,886	\$36,650

EXHIBIT 5

Salisbury Parks and Recreation Department



Revenue and Pricing Policy

Revised: March 2002

Approved by Salisbury Parks & Recreation Advisory Board, March 14, 2002

Adopted by City Council:

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Revenue & Pricing Policy

Section	Topic
I.	Statement of Need
II.	Authority and Responsibility
III.	Statement of Philosophy
IV.	Definitions
	a. Types of Fees
	b. Types of Revenues/Revenue sources
	c. Other Definitions
V.	Service Classifications
VI.	Fee Adjustments
VII.	Determining Fees and Charges
VIII.	Facility Rental
IX.	Other Revenue Sources
X.	Payments and Refunds
XI.	Competition and Pricing
XII.	Attachments

A thorough evaluation and review of this policy manual was completed on this date, March 13, 2002. All information included is based on current standards and other policies and procedures that have an impact on revenue and pricing.

The following committee members conducted the revision of this manual:

Kenny Roberts, Recreation Program Manager
Jeff Holshouser, City Park Recreation Coordinator
Kathy Seybold, Department Secretary
Karen Morris, Advisory Board Member

Kenny Roberts
Recreation Program Manager

Approved by Salisbury Parks and Recreation Advisory Board on March 14, 2002.

I. STATEMENT OF NEED

It is the responsibility of the Parks and Recreation Department to offer comprehensive recreational opportunities and provide public accessibility to parklands. Because of the heavy demands for use and expanded services along with the rapid increase in operating and maintenance costs, it is necessary to adopt a formal and consistent policy that will guide the search and generation of supplementary revenues to tax dollars. Programming fees and charges will only assess the direct cost of the program or service and will not factor in the indirect cost of operational expenses. Refer to Attachment #1: Direct vs. Indirect Cost. The theory being, that by assessing only direct cost, the fees can be kept at a minimum and secondly, the program participants are the only benefactors of the service and therefore tax dollars should not off-set the cost of these expanded services. Sources of funds other than local taxes will include but not be limited to:

- Gifts and bequests
- Grant-in-aid
- Contractual receipts
- Concessions and leases
- Fees and charges
- Selective private/public partnerships
- Sponsorships & donations
- Advertisement

II. AUTHORITY AND RESPONSIBILITY

The Revenue and Pricing Policy has been formally adopted on this date, July, 1997 by the Salisbury City Council members and any revision must come before Council for approval. Council has authorized and charged the Parks and Recreation Advisory Board with providing oversight and input in the implementation of this policy, and directed the Parks and Recreation Director to establish appropriate procedures to administer the policy's goals and guidelines. All fee schedules will be approved by the Council membership. Refer to Attachment #2: Fee Schedule. The Finance Director should each year, in the beginning of the budget preparation cycle, agree on a desired revenue level for the upcoming fiscal year. The Parks and Recreation Department will then develop its revenue plan, including rate structure revisions and new revenue sources to meet the agreed upon revenue objectives.

III. STATEMENT OF PHILOSOPHY

The basic philosophy of the Salisbury Parks and Recreation Department is to offer year round diversified recreational services ensuring that all citizens have equal opportunity and participation. The department will provide the highest quality leisure experiences possible within its appropriated budget. Funds have traditionally come from property taxes paid by its residents who receive benefits in varying degrees from the services provided. With this in mind, the department attempts to balance the cost-to-benefit ratio by implementing the following guidelines:

- Providing certain basic facilities, park resources and services at no, or minimal cost to patrons.
- Providing additional extended or specialized facilities and programs and charging a fee to the user, patron, participant or consumer in order to recover all the direct costs.
- Certain programs or facilities that require specialized or extensive expenditures may carry a supporting fee for such service (i.e. adult sports activities, afterschool program)
- Whenever possible, the department shall work with outside organizations or business' to provide sponsorships or subsidized pricing of recreational programs for youth and senior citizens.
- The Department should survey other agencies and comparable private sector rate structures, with the goal of establishing rates that are within the high and low ends of the spectrum.

The Parks and Recreation Department's revenue programs, aimed at helping to provide this basic responsibility, must take other factors into consideration. It should (1) avoid revenue policies and practices that would result in an unfair burden on the City taxpayers, and (2) strive to achieve a balance among operating with self sufficiency, fairness to and among taxpayers, environmental concerns and general acceptance by elected officials.

IV. DEFINITIONS

A. Types of Fees and Charges

Entrance fees: charges to enter a developed park, recreation area, and cultural or historic area.

Admission fees: charges to enter a building or enclosed structure, as in a fee to enter a sports facility for an event.

Reservation fees: payments made for the privilege of exclusive use of park property of any kind.

User fees: charges for the use of a facility, participation in an activity such as a group program or instructional class or fee associated with a controlled activity.

Special Services fees: charges for supplying extraordinary articles, commodities, activities or services not usually considered to be standard or routine functions of a public agency, such as photo/video location fees for advertising/motion picture agencies, tournament set-ups and/or maintenance or security provisions.

Non-resident fees: those additional fees charged to non-city taxpayers for the use of city facilities, programs, services, etc. For all classes and programs this fee is designed to recover 100% of the direct cost plus a 100% increase. For adult leagues a rate of \$10.00 per non-resident listed on the roster, per sport will be charged.

Permit fees: fees paid to obtain a written consent to do some lawful thing, usually issued by a division of government. Examples include payment for fishing license, concession permit or tent permit.

Sales revenues: revenues obtained from the operation of stores, concessions, and restaurants and from the sale of merchandise and other property.

Nominal fees: a minimal fee intended to recover a portion, no greater than 50%, of the costs associated with a basic service, as in a field light fee for a youth athletic game or league.

B. Types of Revenues/Revenue Sources

Compulsory Revenues: revenue from mandatory payments such as tax revenues or special assessments.

Alternative Revenues: revenue sources other than compulsory revenues that may include gifts, donations, grants, fees and charges.

- Contractual Revenues – classified as alternative revenues may include vending contracts, performance agreements, advertisement agreements and management agreements.
- Vending Contracts – contracts awarded to properly licensed individuals or businesses to sell goods in or on city properties. A permit to sell is purchased by the vendor and the Department receives a percentage of the vendor's gross receipts.
- Performance Agreements – agreements initiated by staff to an individual or group to provide limited services for the department. When applicable, the department receives a percentage of the gross receipts. Attachment #3: Sample Performance Agreement/Contract
- Management Contracts – contract awarded for the complete operation and/or maintenance of a special facility (i.e. golf course, equestrian

center, BMX track, skateboard center). The department receives a percentage of the gross receipts and/or a minimum monthly rental fee.

C. Other Definitions used within the Policy

Service: any program, class, event, activity, sales or rental opportunity provided by the department.

Special Facility: also referred to as revenue facility. These facilities are approved and constructed with the understanding that all or a major portion of the construction and/or operation and maintenance costs will be recovered through the collection of user fees and charges.

Direct Costs: those costs that can be directly and exclusively attributed or assigned to a specific service.

Indirect Costs: those costs that can be attributed to more than one program or service. Examples would include departmental administrative staff salaries, insurance, acquisition/construction depreciation or the costs of operating an activity bus that may be used for several different programs.

City Sponsored: services that are organized, promoted and conducted exclusively by City staff and are the responsibility of the City.

City Co-Sponsored: services that are organized, promoted, and conducted in-part by City staff and in-part by an outside agency, organization or individual(s) and are the negotiated responsibility of both parties as defined by a performance agreement. Any fees assessed to the outside group for facility use or staff time shall be established to recover the City's direct costs at minimum.

City Facilitated: services that are organized promoted and conducted by an outside agency, organization or individual(s) with limited assistance from City staff. These services are the responsibility of the outside group. City involvement often includes permission to use a city facility or promotional assistance. Normally, these levels of service are defined in a "Facility Use Contract". Attachment #4: Facility Use Contract form. Any fees assessed to the outside group for facility use or staff time shall be established to recover the City's direct and indirect costs.

Director: The director of the Parks and Recreation Department or designee.

V. SERVICE CLASSIFICATIONS

Services offered by the Parks and Recreation Department may be broadly identified as "basic services", "extended services", and "special services". These categories are defined and identified with a listing of typical services in each classification.

Basic Services: These services generally represent a minimal level of leisure opportunity available to all City residents. These services are often provided free of

charge, such as greenway trails and playgrounds. Nominal fees and charges may be required for some basic services in order to control use or to hold a reservation for exclusive use.

Extended Services: These services may be described as traditional public leisure services. Considerable staff planning and supervision is required. These services benefit both the participant and the community due to their educational, cultural, physical and economic value. Generally, the direct costs of these services will be recovered through fees and charges. Examples include adult athletic leagues, trips, etc.

Special Services: These may be described as services beyond the scope of traditional public leisure services. Almost exclusively the participant enjoys the benefits from these services. Direct costs and a portion of the indirect costs will be recovered through fees and charges. Examples include instructional classes, camps, golf course fees, civic center rentals, recreation center rentals, campground rentals, stadium rentals, etc.

VI. FEE ADJUSTMENTS

In some circumstances it may be necessary to adjust fees and charges to allow for individual(s) participation in services and programs. The following considerations have been established:

- A. Youth: Reduced fees shall be established for youth eighteen years of age or younger. Youth fees for basic services shall be nominal. Fees for extended services shall generally recover 50% of direct costs. Fees for special services shall generally recover 100% of direct costs.
- B. Senior Citizens: Due to fixed income of many residents sixty-two years of age and over, the Department shall establish senior adult fees. Fees for basic services shall be nominal. Fees for extended services shall generally recover 50% of the direct costs. Fees for special services shall generally recover up to 100% of direct costs. Most senior programming shall be provided through Rufty-Holmes Senior Center, a co-sponsored City program.
- C. Employees: In an effort to motivate employee performance, which directly benefits all the citizens of the City, all full-time employees shall pay resident rates for programs.
- D. Scholarships: In some cases where community support and corporate support assist with the programming expenses the City will provide to low income cases requesting assistance, a scholarship into a specific program. These scholarships will be based on available funding at the time.

Attachment #5: Salisbury Parks & Recreation Department Scholarship Application form.

- E. Waivers: On rare occasions, fees and charges may be waived completely when such action is determined by the Director to be in the best interest of the City of Salisbury and the Parks and Recreation Department. Written request for waiver must be received 14 working days in advance, in letter form to the Director. Criteria needed to be considered shall include: non-profit status as a 501c3, non-fundraising activity and positive community interest.
- F. Non-residents: Because many out-of-city residents use Salisbury Parks and Recreation services without making compulsory tax contributions to help support these services, it is reasonable to establish non-resident fee rates. In general, fees and charges for non-residents shall recover 100% of a service's direct costs and up to an additional 100% for the service's rendered. Proof of residency may be required at registration.
- G. Multiple Family Members: The City of Salisbury strives to meet the Needs of the public and will make considerations for families registering multiple family members for summer camps and other designated programs at the Civic Center, City Park Center, Hall Gymnasium and the Miller Center. An individual who resides in the city that is registering their immediate family member (i.e. son, daughter, brother, sister) will receive a discounted fee when registering for summer camps and other designated programs.

Two criteria must be met to receive this consideration:

1. The youth must be an immediate family member (proof may be required at registration)
2. The individual participant fee must equal or exceed the amount of \$30.00 for residents for discount to apply for additional family member.

Fee scale for multiple family member (understanding that the first youth will pay the regular program fee):

Second child – will pay 75% of program fee

Third child and more – will pay 50% of program fee

VII. DETERMINING FEES AND CHARGES

During the annual budget process of each fiscal year, fees and charges for all services will be determined by the department staff, reviewed by the Parks and Recreation Advisory Board and submitted to the City Council Members for

approval. All fees and charges will be evaluated in the same manner, with the following criteria used:

- A. Determine the direct and indirect costs of providing the service
- B. Determine the service classification (section V).
- C. Make adjustments to the fee or charge as outlined below.
- D. Identify the market rate or current fee being charged for a similar service by other service providers.
- E. Consider inflationary factors for services.
- F. Take into consideration any budget mandates as related to revenues to relieve tax burden on the public.
- G. Present the recommended fees or charges to the Parks and Recreation Advisory Board for review and then recommend to the City Council for approval.

Generally, because the fiscal year begins July 1, in the middle of the “peak” season, increases in fees will become effective September 1. This time frame for implementation will allow for the prevention of sudden price changes during the middle of many summer programs. Fees may be adjusted at the beginning of the fiscal year when it is essential due to increased service costs or market demands warrant a price change. All fee increases or reductions must be approved by the City Council and become part of the local budget ordinance for the fiscal year. For this reason, staff members may not be able to quote or guarantee fees beyond the beginning of the next fiscal year. However, reservations for facility use and programs may be held for dates in the next fiscal year, without a guaranteed fee or charge. When the new fee or charge has been established, these reservations may be finalized providing the new fee or charge is acceptable to the individual or group making the reservation(s). Pre-paid reservations for facilities such as picnic shelters shall be “grandfathered in” with no additional fee due with a price increase.

Additionally, the department may utilize on occasion fee discounts and other strategies to promote pre-registration periods and other promotional opportunities. An example of this is the pre-registration and “day-of” prices for dances, road races, in which the pre-registration fee may be several dollars less than that of the “day-of” fee to encourage early sign-ups. The same strategy or incentives can be applied to class registrations, events, etc.

VIII. FACILITY RENTAL

This policy describes the specific regulations under which the Salisbury Parks and Recreation Department shall make its facilities available for use by departmental/non-departmental groups.

The facilities of the department are first and foremost for the use of department sponsored and scheduled programs and services. When its facilities are not in use by its related service divisions, the department at its discretion may make certain facilities available to other groups. Priority use will be as follows:

- A. Parks and Recreation Department sponsored programs.
- B. City of Salisbury Departments and affiliates such as Rowan-Salisbury Schools, Housing Authority, County Extension Service, etc.
- C. Civic functions, church functions, private functions and others.

With revenue producing facilities such as the Civic Center, smaller department sponsored events/programs may be relocated to accommodate a major revenue producing event at the discretion of the Director.

Other rentals of facilities considerations are as follows:

- A. Use of Department Name – use of a facility by any non-departmental/City group does not imply endorsement or sponsorship of the event by the department or the City. Therefore, publicity shall be designed in such a way that no suggestion of endorsement and/or sponsorship is implied. All such publicity shall be reviewed in advance by the designated department staff and upon their recommendation be approved.
- B. Administration of Facility Rentals – execution of this policy shall be the responsibility of the Parks and Recreation Director. The Director shall decide whether any group qualifies for facility use under this policy and shall have the authority to cancel a facility use contract at any time for cause. The Director shall initiate the involvement of the Parks and Recreation Advisory Board to give any special interpretation or to make any decision concerning the use of facilities not covered specifically in this policy or when there is a question concerning the use of facilities.
- C. Types of Facilities – the department offers the following facilities for rental/use:

Picnic Shelters	Classrooms/meeting rooms
Hall Gymnasium	Athletic fields
Lincoln Pool	Cross-Country Running Course
Miller Center	City Park Recreation Center
Civic Center	Other facilities by special request

Fees for rental/use of the above named facilities and locations are listed on the Fee Schedule (Attachment #2).

IX. OTHER REVENUE SOURCES

As previously mentioned in section IV. Definitions, alternative sources of revenue/funding will be used to fund projects, programs and the development of new facilities. The following are types of alternative funding that the department will seek:

- A. Gifts and Donations – patrons are able to donate funds and/or materials and supplies to the department to purchase or provide equipment, landscaping, programs, buildings, vehicles, service in-kind, or land for future parks. Individuals, groups, organizations, service clubs, businesses, companies, scout groups and churches are welcome to participate. A gift through the Parks and Recreation Department may be either cash for a specific item or the item itself. Stocks may also be donated through the Department Foundation Board.
- B. Grants – professional staff or the department may investigate the possibilities of securing a grant or outside funding source for department facilities and programs. The Director must approve all applications prior to their submittal. All department grant applications must be reviewed and approved by the Director as considerations for fiscal planning purposes.
- C. Corporate Sponsorships – corporate sponsorship of events and programs shall be pursued by staff on an ongoing basis. These arrangements may involve the donation of funds, volunteer time, equipment, supplies and/or labor by the corporate sponsor in return for the recognition of that sponsor's contribution and involvement. Recognition could be in the form of advertising agreements such as the adoption of sections along the Greenway or signage on athletic fields.
- D. Vending Revenues – contractual agreements with vending companies will be established in the future as the need arises. These agreements will be based on a percentage of profit or a set dollar amount per month/quarter.

- E. Performance Agreements – these agreements describe the provision of limited services for the department by individuals normally offering instructional classes, specialized service or activity lessons. When revenues are generated, the City and contractor shall share gross receipts earned according to the terms of the negotiated agreement and a percentage of the gross will be paid to the City. Typically these agreements will be program specific and no more than one (1) year in length.

X. PAYMENTS AND REFUNDS

A. Payment Schedule

Generally, all payments or deposits must be received one (1) week in advance before services will be rendered and made payable to Salisbury Parks and Recreation Department. Payments specified to instructors shall be listed with program information and collected one (1) week in advance of program beginning. Personal checks, cashiers check, cash or money orders are accepted. Credit card payments (Visa & MasterCard) can be made, however they must be processed through the City Park Recreation Center during their normally working hours. Payments will only be accepted for the specified amount.

B. Non-payments

Individuals or groups that fail to meet established payment deadlines will receive a standard notification letter from the Department indicating the balance due, location of remittance and final payment deadline. The payment deadline will be ten (10) days from the correspondence date. Individuals or groups that do not submit payment in full or partial payment as indicated in the notification letter within this period will have their registration/reservation canceled immediately and will be denied future participation in department programs or future facility rental until their account has been settled.

C. Returned Checks

All checks returned will be assessed a \$25.00 service fee in addition to the payment being remitted in person to the City of Salisbury Finance Department, 132 N. Main Street, 1st floor, Salisbury, NC between the hours of 8:30am – 5:00pm, Monday – Friday.

D. Full Refunds

For Departmental Services: a full refund will be issued in the event of insufficient program enrollment or inclement weather for departmental programs. This includes activities planned and/or sponsored by the department. Services by Independent Contractors shall be inclusive and may vary according to terms of an agreement. A full refund may also be granted and/or approved, if the request is received ten (10) days prior to the first session or activity (especially athletic leagues) and accompanied by a physicians letter advising against participation by that individual.

For Non-Departmental Services: the Department reserves the right to approve or deny requests for refunds due to inclement weather for non-departmental activities such as family picnics, athletic field reservations, room rentals, etc. In the case of reservations for athletic fields where use may be canceled due to inclement weather, a credit for a future reservation for the same type of facility will be granted.

E. Partial Refunds

A refund, less a 20% service charge, will be approved when the registrant submits a written request for a refund at least ten (10) working days before the service date for program classes and (20) working days before an activity, first class of an instructional session or registration period ending (especially athletic leagues).

No refund will be approved less than ten (10) days before the first session (without a physician's letter) or after the first session of any service. In the case of services for passes or memberships whereby fees are paid in advance, the balance of remaining value will be refunded less 20% from the point of request. The request must be in writing.

In the case of special facility rentals and athletic field rentals, there will be no refund of the facility fee (or down payment if applicable) if the cancellation is made less than thirty (30) days prior to the reservation date. Cancellations made less than thirty (30) days in advance provide little opportunity for rental to another party.

F. Facility Rentals

A full refund will be approved if the facility is unavailable on the rental date requested. These refunds will be processed automatically without a request from

the renter. A refund less a 20% service charge will be approved when the renter submits a written request at least thirty (30) days before the rental date. Exception: a non-refundable deposit is required to reserve major revenue producing facilities: 1) Civic Center and 2) Community Park and Sports Complex. The deposit will be credited toward the final payment of facility rental. If the reservation is canceled, the deposit is forfeited. The Parks and Recreation Director, at his/her discretion, may allow the deposit to be credited to another event or reservation provided the renter is in good standing with no previous history of cancellations or non-payments. No refund for rentals will be allowed less than thirty (30) days before the rental date or after the rental date. The Parks and Recreation Director will review special requests when submitted in writing.

Extraordinary damage fees may be assessed after rentals if it is determined that the amount of the deposit does not cover the replacement cost or labor cost involved in returning the facility or supplies to there prior level. This clause will be identified in the contractual/rental agreement form that is signed prior to rental date.

XI. COMPETITION AND PRICING

A primary goal of the Salisbury Parks and Recreation Department is to provide a comprehensive leisure service delivery system to meet or exceed the needs and desires of all city residents. Generally, the services provided by the department are not offered by local private businesses. The department shall neither attempt to duplicate nor compete with services offered by private businesses. However, in the event that services provided by the private sector businesses do not meet the leisure and recreational needs or desires of all city residents, the department may establish alternate service delivery opportunities. Should any business claim that these alternative services create unfair competition; the department shall provide reason to justify the service in question. These claims shall be reviewed by the Parks and Recreation Advisory Board and submitted to the City Council if required.

Fee levels for services similar to those offered by the private sector shall be reviewed as part of the fee determination process and departmental fees shall not be intentionally lowered to create undue competition.

DIRECT VS. INDIRECT COST

A. Definitions

Direct Cost: refers to those expenses that are exclusively and totally related to a single program or event. This would include such expense items as equipment, publicity, leadership, trophies, materials and instructors fees.

Indirect Cost: refers to budget expenses of a related and peripheral nature that have been incurred in presenting the program, yet may appear as hidden or unaccounted costs. This category would include portions of program administrators' salaries, utility fees, such as heat, lighting, and custodian services.

B. Sample Program

In preparing programs, you need to factor in the direct cost of each program when determining the fee. A general rule of thumb is to anticipate 80% of the expected and/or maximum number of participants to establish the program fee. An example is below:

Program: Watercolor Painting Class

Direct Cost:

Instructor:

10 weeks @ 2 hours/wk x \$20 per hour = \$400.00

Revenue:

10 @ \$40/per person = \$400.00

80% Adjustment: 8 @ \$50/per person = \$400.00

*Program fee would be \$50 per person.

Determining program fees by direct cost allows the programmer to keep the fees to a minimum. If indirect cost is factored in, the fees will increase substantially in some instances.

**Salisbury Parks and Recreation Department
Scholarship Application**

Name of Applicant: _____

Address of Applicant: _____

(must show proof of residency)

Phone #: _____ (Work)

_____ (Home)

Child's Name: _____

Relationship to child: _____

Is this child an immediate member of your family? Please circle one:

Yes

No

(an immediate member of family is defined as one who lives with you full-time and you have custodial rights)

Program for which scholarship would apply: _____

Program Location: Please circle one: Civic Center City Park

Hall Gym

Miller Center

Cost of Program: _____

I certify that the above information and the attached information is accurate and truthful.

Applicant's signature

Date

*Attach supporting documentation (ex. copy of most recent Federal Tax Return, proof of salary, and any other applicable verification (ex. approved form for food stamps, public-housing verification))

For Staff Only

Received by: _____

Reviewed by: _____

Parks & Recreation Director

Please circle one:

Approved

Disapproved